

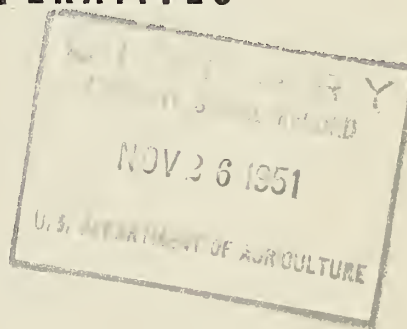
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FARM CREDIT ADMINISTRATION
UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C.

RECENT FEDERAL
INCOME TAX CHANGES
AFFECTING COOPERATIVES



By

GEORGE J. WAAS

COOPERATIVE RESEARCH AND SERVICE DIVISION

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM CREDIT ADMINISTRATION
WASHINGTON 25, D. C.
I. W. DUGGAN, GOVERNOR

COOPERATIVE RESEARCH AND SERVICE DIVISION

HAROLD HEDGES, CHIEF

JOSEPH G. KNAPP, ASSOCIATE CHIEF

This report is designed to assist farmers' cooperatives in a proper observance of the Federal income tax laws and regulations. Although a close liaison is maintained with officials of the Bureau of Internal Revenue, the report is not to be considered as binding upon either the Bureau, or the Farm Credit Administration. In fact, it is suggested that whenever necessary, cooperatives should consult the collector of internal revenue, their local attorneys, public accountants, or other competent persons for advice on specific matters relating to income taxation or exemption therefrom, and the preparation of related forms or returns.

The Cooperative Research and Service Division conducts research studies and service activities relating to problems of management, organization, policies, merchandising, sales, costs, competition, and membership arising in connection with the cooperative marketing of agricultural products and the cooperative purchase of farm supplies and services; publishes the results of such studies; confers and advises with officials of farmers' cooperative associations; and cooperates with educational agencies, cooperative associations, and others in the dissemination of information relating to cooperative principles and practices.

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DIRECTOR OF INFORMATION AND EXTENSION
FARM CREDIT ADMINISTRATION
U. S. DEPARTMENT OF AGRICULTURE
WASHINGTON 25, D. C.

RECENT FEDERAL INCOME TAX CHANGES AFFECTING COOPERATIVES

By

George J. Waas
Senior Agricultural Economist

THE REVENUE ACT OF 1951

This act, which became law on October 20, 1951, includes section 314, subsection (a) of which concerns the income tax treatment of farmers' marketing and purchasing cooperatives presently exempt under section 101(12) of the Internal Revenue Code. Section 314(a) becomes effective with the reporting cooperative's first fiscal year beginning after December 31, 1951.

Subsection (c) of section 314 requires the yearly reporting by cooperatives of patronage refunds amounting to \$100 or more per patron. This provision applies to all farmers' marketing and purchasing cooperatives, whether taxable or exempt, and is effective beginning with the calendar year 1951.

For the guidance of farmers' cooperatives, section 314 of the new act is reproduced in full as Appendix A of this report. A brief analysis of the section's effect is given below to assist cooperatives in complying with the law:

1. The requirements which farmers' cooperatives must meet in order to qualify for Federal income tax exemption,¹ as contained in section 101(12) of the code, remain unchanged, with that section becoming 101(12) (A) of the amended code. A transcript of the latter section is included herein as Appendix B.
2. The manner of taxing the income of farmers' cooperatives which are not exempt¹ under section 101 is not changed in any respect by section 314, although other sections of the new Revenue Act make numerous revisions applicable to taxable corporations, including taxable cooperatives.
3. Section 314(a) amends section 101(12) of the code to add thereto another subparagraph, 101(12) (B). Under that subparagraph, farmers' cooperatives qualifying for exemption under section 101(12) (A) become

¹For information on the specific requirements for tax exemption and on the methods used in taxing the income of taxable cooperatives, see "Application of the Federal Income Tax Statutes to Farmers' Cooperatives," Farm Credit Admin. Bul. No. 53, by George J. Waas and Daniel G. White. If a condensed reference is desired, see "Farmers Cooperatives and the Federal Income Tax Statutes," Farm Credit Admin. Misc. Rept. 75, by Kelsey B. Gardner. Copies of these publications may be obtained upon request from the Director of Information and Extension, Farm Credit Administration, U. S. Department of Agriculture, Washington 25, D. C.

subject to Federal income tax on normal net income and surtax net income (but not on excess profits) arising from any operating funds not paid out to patrons, or not allocated and disclosed to them, or not paid out as dividends on capital stock.

4. This is brought about by a provision in section 314(a) for calculating the taxable income of the cooperatives covered under section 101(12) (A) so that there are allowed as deductions or exclusions from gross income not only the regular expenses permitted for corporations in general (as in section 23 of the code), but also:

- a. The amounts paid as dividends during the taxable year upon capital stock;
- b. The amounts paid to patrons or allocated and disclosed to each patron with respect to income derived from transactions with non-patrons (as for example, rents received, investment income, gain on sale of capital assets, income from business done with the United States Government, etc.); and
- c. The patronage dividends, refunds and rebates paid to patrons or allocated and disclosed to each patron, with respect to transactions with such patrons.

5. It should be emphasized that the items described in 4-a above (dividends on capital stock) are deductible only if actually liquidated (that is, paid in cash or cash equivalent) during the taxable year.

6. Items 4-a and 4-b are expressly described in the statute as "deductions." Item 4-c is not directly characterized but it is stated that such amounts "shall be taken into account in computing net income in the same manner as in the case of a cooperative organization not exempt" under section 101(12) (A). Senator George² interpreted this to mean that "patronage allocations by cooperatives are not income to the cooperatives under this section of the bill, but are excluded from gross income of the cooperative organizations."

7. Items 4-b and 4-c are deductible or excludable by cooperatives coming under section 314(a) whether the amounts are paid in cash or in several listed noncash forms. It should be especially noted that distributions of such items in noncash forms are deductible or excludable only if each patron concerned is notified of his respective share. While section 314 possibly can be construed to sanction verbal notifications to patrons, it is felt strongly nevertheless that the legislators intended to authorize only written forms of notification.

8. The whole purpose of notification is to make it possible for patrons to conform with the Treasury Department requirement (see Income Tax Information Release No. 2, Appendix C herein) that patronage dividends

²See Congressional Record, September 24, 1951, p. 12202.

paid in noncash forms shall be reported by the recipient-farmer-patron in his own income tax return for the year in which he received the notification advice. (Of course, only the portion of such distributions that represents an increase in farm business income, or a decrease in farm business expense, is properly reportable in a farmer's income tax return.)

9. A grace period of $8\frac{1}{2}$ months after close of the reporting organization's fiscal year is allowed in which to make either the payments or the allocations and notifications to patrons described in 4-b and 4-c, above, if they are to be considered as deductions or exclusions from taxable income of the same fiscal year. (See items 11 and 12 below for possibility of later allowance.)

10. Other provisions in section 314(a) state that the 4-b and 4-c items are deductible or excludable from taxable income to the extent they are attributable to income or patronage "derived during the taxable year" (i.e., before close of the fiscal year). As to the 4-b items there is another specific clause granting their deductibility "whether or not such income was derived during such taxable year." And with respect to the 4-c items there is a similar provision sanctioning excludability "with respect to their patronage in the same or preceding years."

11. What is the intention of these clauses, taken as a group? First, it should be clear that the legislators did not wish to permit any operating funds accruing in the $8\frac{1}{2}$ months' grace period to be shifted back to the prior year (i.e., to the taxable year). The only other way in which these clauses appear to be applicable is in any case where a cooperative did not allocate part or all of the 4-b and 4-c items in a particular year and thus paid a tax thereon, then in some later year the cooperative allocated the remainder (the original unallocated amount of these same items, less the income tax paid thereon by the cooperative) on a patronage basis to the patrons of the original year and used the allocation as a deduction (or exclusion) from taxable income of the later year.

12. Such an event probably would not occur often since cooperatives are permitted under section 314 to make deductions (or exclusions) in the original year simply by the making of allocations, without the necessity of actual cash payment to patrons. But this could occur where a cooperative had a small amount to allocate among a large number of patrons. Under such conditions it might be decided to suspend allocation until one or more years had elapsed and a larger amount could be accumulated and allocated at one time (of course, allocation would be made to each year's patrons as their interests appeared, but the overall calculation could be combined into one operation). In the years when allocation was suspended a tax would be payable, but in the year when the amounts were finally paid out or allocated they would be allowed as a deduction or exclusion. If in that year all other operating funds currently arising were also paid out or allocated, then a net operating loss would be produced which under the two-year carry-back provision would be usable to secure a refund of the original tax. The shifting of allocations

will also permit, under certain conditions, the use of the loss carry-forward provision.

13. Although the 4-a items (dividends on capital stock) do not carry the provisions discussed in the several foregoing paragraphs, it is safe to assume that such provisions by analogy also apply to the 4-a items. This is to say that dividends on capital stock probably will be considered a proper deduction in the year of their payment whether or not their origin is traceable to prior years.

14. Since all of the amounts under discussion here are deductions or exclusions from gross income, it might be well to keep in mind the specific meaning of the latter term. This is made clear in section 29.22(a)-5 of Income Tax Regulations 111 which defines gross income from business as "the total sales, less the cost of goods sold, plus any income from investments and from incidental or outside operations or sources."

15. Supplemental Report No. 781, part 2, of the Senate Finance Committee (at p. 29) states that in computing (under section 122 of the code) the net operating loss deduction (in the event a cooperative has a loss year) provided by section 23(s) of the code, all three classes of distributions (4-a, 4-b and 4-c, above) will be "taken into account in computing net income."

16. At page 30 the report also makes the comment that where a cooperative is found subject to the tax under section 314, it is nevertheless "to be considered exempt from income tax for the purpose of any laws which refer to an organization exempt from income tax. Accordingly, such code provisions as section 26(a) (credits for dividends received from a domestic corporation which is subject to tax) and section 141 (dealing with consolidated returns) do not apply to cooperatives taxable under section 101(12) (A)."

17. Part 1 of the same report (at p. 21) states that capital "reserves set aside for any necessary purpose, or reserves required by State law" must be allocated if they are to be permitted as deductions or exclusions (and, of course, the amounts thereof must also be disclosed to each patron within the 8½ months' grace period). Section 314(a) has this effect only as to the additions made to reserves after the effective date of the new Revenue Act. Thus, any capital reserves existing before such date are not required by section 314(a) to be allocated retroactively. This does not mean, however, that any reserves not now allocated to patrons on the books of exempt cooperatives are immune from the necessity for allocation since the Bureau of Internal Revenue in the past has been quite active in requiring such allocations.

18. Of course, additions to valuation reserves like those for bad debts and depreciation, need not be allocated to patrons, since such items are allowable as expense deductions (if of proper amount) by any corporation. Charges arising from reserves for decline in inventory values are not deductible as expenses, thus additions to such reserves undoubtedly will be ruled as in the class requiring allocations to patrons if the additions are to be permitted as exclusions under Section 314(a).

19. On the same page, the Senate Finance Committee also states that section 314 imposes only a single tax on the cooperatives concerned, as opposed to the "double taxes payable in the case of ordinary corporate income." This is quite true whenever a cooperative takes full advantage of the procedures permitted under section 314. Otherwise, two taxes might be paid as in the situation described in items 11 and 12 above. There, in the original taxable year the cooperative would pay an income tax on unallocated amounts and in a later year (if beyond the limits of the two-year loss carry-back provision) upon distribution of the remainder of the amount concerned (after taxes) the patrons would pay individual income taxes upon their respective shares.

20. Apparently it will be necessary for the cooperatives covered under section 314(a) to report substantially the data now covered in the information return (Treasury Department form 990) and some items now included in the corporate income tax return (T. D. form 1120). It is entirely possible that all such reporting may be combined in one new form especially designed for the section 314 cooperatives. Precise information on this point is not yet available.

21. Form 990 is now subject to filing by the tax-exempt cooperatives within $4\frac{1}{2}$ months after close of the reporting organization's fiscal year, while form 1120 must be filed by taxable cooperatives within $2\frac{1}{2}$ months. It is possible that the time limits on either or both of these forms, or on any new form devised, may be changed in the case of the section 314 organizations because of the $8\frac{1}{2}$ month provision in that section. It is too early to forecast reliably what the Treasury Department may decide to do in that connection.

22. Taking effect beginning with the calendar year 1951 is another requirement in section 314(c) (amending section 148 of the code) which makes it mandatory upon all farmers' marketing and purchasing cooperatives, of both exempt and taxable types, to make a return to the Treasury Department showing the name and address of each patron to whom was paid or allocated patronage dividends "amounting to \$100 or more during the calendar year," along with the amount so paid or allocated to each patron.

23. It is felt the legislators intended that the amounts to be so reported should include not only the 4-c items described above, but as well the 4-b payments or allocations. Normally cooperatives combine these two classes of items into a single allocation and thus will make their information returns to the Treasury in like manner.

24. It is to be particularly noted that the reporting of patronage refunds should cover only what occurred within the calendar year, not within an organization's fiscal (or taxable) year, if the latter differs from the calendar year.

25. Before final passage of the Revenue Act, Congressional conferees struck out of section 314 a provision which would have required cooperatives to withhold a certain proportion from each patronage refund,

such withholding to be remitted to the Treasury Department for application on the personal income taxes of each patron. Also abandoned was a provision of the House bill that all corporations (including cooperatives) should make similar withholdings from amounts paid out as dividends on capital stock.

AMENDMENT OF TREASURY REGULATIONS CONCERNING CORPORATE INFORMATION RETURNS

Another related event of interest to farmers' cooperatives occurred on September 20, 1951, when the Commissioner of Internal Revenue issued T. D. 5859 amending Income Tax Regulations 111 respecting the filing of information returns on Treasury Department forms 1096 and 1099 covering payments to shareholders of dividends on capital stock.

A summary of the main features of the amendment follows:

1. Under T. D. 5859 certain corporations, including farmers' cooperatives exempt under sections 101(12) and (13) of the Internal Revenue Code, are to continue, as at present, to report dividends paid on capital stock in the amount of \$100 or more per shareholder during each calendar year, showing the name and address of each payee.
2. However, beginning with the calendar year 1951, farmers' cooperatives not exempt under sections 101(12) and (13) (along with a number of other types of corporations) are required to make annual reports on forms 1096 and 1099 (showing amount, name and address of each payee) covering all dividends paid on capital stock, regardless of amount. From the discussion in item 16 above it is clear that cooperatives exempt from Federal income taxes under section 101(12) (A), as amended, are to continue to be regarded as exempt even though found taxable under section 314. Thus, such cooperatives come under the requirement of paragraph 1 above, rather than of paragraph 2.
3. It should be particularly noted that reporting under both paragraph 1 and 2 above covers only actual payments during the calendar year, which may or may not be the same as the organization's fiscal (or taxable) year.
4. The date for filing the reports on forms 1096 and 1099 has been changed from February 15 to February 28, following the close of the calendar year concerned.

For reference purposes a complete copy of T. D. 5859 is reproduced in Appendix D.

APPENDIX A

EXCERPT FROM PUBLIC LAW 183 - 82d CONGRESS
CHAPTER 521 - 1st SESSION
H. R. 4473

REVENUE ACT OF 1951

SEC. 314. INCOME TAX TREATMENT OF EXEMPT COOPERATIVES.

(a) AMENDMENT OF SECTION 101 (12). - Section 101 (12) is hereby amended as follows:

(1) By inserting after "(12)" the following: "(A)".

(2) By inserting after such paragraph the following:

"(B) An organization exempt from taxation under the provisions of subparagraph (A) shall be subject to the taxes imposed by sections 13 and 15, or section 117 (c) (1), except that in computing the net income of such an organization there shall be allowed as deductions from gross income (in addition to other deductions allowable under section 23) -

"(i) amounts paid as dividends during the taxable year upon its capital stock, and

"(ii) amounts allocated during the taxable year to patrons with respect to its income not derived from patronage (whether or not such income was derived during such taxable year) whether paid in cash, merchandise, capital stock, revolving fund certificates, retain certificates, certificates of indebtedness, letters of advice, or in some other manner that discloses to each patron the dollar amount allocated to him. Allocations made after the close of the taxable year and on or before the fifteenth day of the ninth month following the close of such year shall be considered as made on the last day of such taxable year to the extent the allocations are attributable to income derived before the close of such year.

Patronage dividends, refunds, and rebates to patrons with respect to their patronage in the same or preceding years (whether paid in cash, merchandise, capital stock, revolving fund certificates, retain certificates, certificates of indebtedness, letters of advice, or in some other manner that discloses to each patron the dollar amount of such dividend, refund, or rebate) shall be taken into account in computing net income in the same manner as in the case of a cooperative organization not exempt under subparagraph (A). Such dividends, refunds, and rebates made after the close of the taxable year and on or before the 15th day of the ninth month following the close of such year shall be considered as made on the last day of such taxable year to the extent the dividends, refunds, or rebates, are attributable to patronage occurring before the close of such year."

(b) TECHNICAL AMENDMENTS. -

(1) Section 101 is hereby amended by striking out "Except as provided in supplement U" and inserting in lieu thereof the following: "Except as provided in paragraph (12) (B) and in supplement U".

(2) The last sentence of section 101 is hereby amended by striking out "Notwithstanding supplement U" and inserting in lieu thereof "Notwithstanding paragraph (12) (B) and supplement U".

(c) INFORMATION RETURNS. - Section 148 (relating to information by corporations) is hereby amended by adding at the end thereof the following:

"(f) PATRONAGE DIVIDENDS. - Any corporation allocating amounts as patronage dividends, rebates, or refunds (whether in cash, merchandise, capital stock, revolving fund certificates, retain certificates, certificates of indebtedness, letters of advice, or in some other manner that discloses to each patron the amount of such dividend, refund, or rebate) shall render a correct return stating (1) the name and address of each patron to whom it has made such allocations amounting to \$100 or more during the calendar year, and (2) the amount of such allocations to each patron. If required by the Secretary, any such corporation shall render a correct return of all patronage dividends, rebates, or refunds made during the calendar year to its patrons. This subsection shall not apply in the case of any corporation (including any cooperative or nonprofit corporation engaged in rural electrification) exempt from taxation under section 101 (10) or (11) or in the case of any corporation subject to a tax imposed by supplement G.

(d) EFFECTIVE DATE. - The amendments made by subsections (a) and (b) of this section shall be applicable only with respect to taxable years beginning after December 31, 1951. The amendment made by subsection (c) shall be applicable to the calendar year 1951 and subsequent calendar years.

APPENDIX B

EXCERPT FROM THE
INTERNAL REVENUE CODE

SEC. 101. EXEMPTIONS FROM TAX ON CORPORATIONS--AS AMENDED BY SEC. 217(a), REV. ACT 1939; SECS. 137(a), 165(a), REV. ACT 1942, AND SEC. 314, REV. ACT 1951.

The following organizations shall be exempt from taxation under this chapter--

(12) (A) Farmers', fruit growers', or like associations organized and operated on a cooperative basis (a) for the purpose of marketing the products of members or other producers, and turning back to them the proceeds of sales, less the necessary marketing expenses, on the basis of either the quantity or the value of the products furnished by them, or (b) for the purpose of purchasing supplies and equipment for the use of members or other persons, and turning over such supplies and equipment to them at actual cost, plus necessary expenses. Exemption shall not be denied any such association because it has capital stock, if the dividend rate of such stock is fixed at not to exceed the legal rate of interest in the State of incorporation or 8 per centum per annum, whichever is greater, on the value of the consideration for which the stock was issued, and if substantially all such stock (other than nonvoting preferred stock, the owners of which are not entitled or permitted to participate, directly or indirectly, in the profits of the association, upon dissolution or otherwise, beyond the fixed dividends) is owned by producers who market their products or purchase their supplies and equipment through the association; nor shall exemption be denied any such association because there is accumulated and maintained by it a reserve required by State law or a reasonable reserve for any necessary purpose. Such an association may market the products of nonmembers in an amount the value of which does not exceed the value of the products marketed for members, and may purchase supplies and equipment for nonmembers in an amount the value of which does not exceed the value of the supplies and equipment purchased for members, provided the value of the purchases made for persons who are neither members nor producers does not exceed 15 per centum of the value of all its purchases. Business done for the United States or any of its agencies shall be disregarded in determining the right to exemption under this paragraph;

APPENDIX C

BUREAU OF INTERNAL REVENUE

Income Tax Unit

Washington 25, D. C.

April 13, 1950

INCOME TAX INFORMATION RELEASE NO. 2

Patronage Dividends

The earnings (savings) of farmers' cooperative marketing and purchasing associations, distributable to their patrons on the basis of the amount or value of produce furnished by them to the cooperatives or the value of supplies and equipment purchased by them from the cooperatives, generally are distributed to the patrons as patronage dividends in the form of cash or in one or more of the following forms:

- Capital stock of the cooperative
- Revolving fund certificates
- Retain certificates
- Certificates of indebtedness
- Letters of advice as to net amount retained

For Federal income tax purposes, the amounts which are includible in the gross income of the patrons to whom such distributions are made are not restricted to amounts distributed in cash. Distributions by cooperatives in the form of capital stock, or in any form other than cash, should be included in the gross income of the patrons to the same extent that such distributions would be included if paid in cash. This rule is applicable to patrons who file their Federal income tax returns on the basis of cash receipts and disbursements as well as those who file their returns on the accrual basis.

E. I. McLARNEY,
Deputy Commissioner,
Income Tax Unit.

APPENDIX D

(T. D. 5859)

TITLE 26 -- INTERNAL REVENUE

CHAPTER I -- BUREAU OF INTERNAL REVENUE

SUBCHAPTER A -- INCOME AND EXCESS PROFITS TAXES

[REGULATIONS 111]

PART 29 -- INCOME TAX; TAXABLE YEARS BEGINNING AFTER
DECEMBER 31, 1941

Regulations 111 amended with respect to the requirement that information returns be furnished by corporations paying dividends, and with respect to the date for filing such returns.

TREASURY DEPARTMENT

Office of Commissioner of Internal Revenue,
Washington 25, D. C.

TO COLLECTORS OF INTERNAL REVENUE
AND OTHERS CONCERNED:

Notice of proposed rule making in respect of a proposed Treasury decision amending Regulations 111 with respect to the filing of information returns by corporations paying dividends was published in the Federal Register on January 20, 1951 (16 F. R. 552). After careful consideration of all relevant matter presented by interested persons, both in communications and in conferences, the following amendments are hereby adopted:

Paragraph 1. Section 29.147-1, as amended by Treasury Decision 5687, approved February 15, 1949 [26 CFR 29.147-1], is further amended by striking out "February 15" in the first sentence, and by inserting in lieu thereof "February 28".

Par. Section 29.147-7, as amended by Treasury Decision 5687 [26 CFR 29.147-7], is further amended as follows:

(A) By striking from the first sentence "\$500", and inserting in lieu thereof "\$600"; and

(B) By striking out "February 15" in the second sentence, and inserting in lieu thereof "February 28".

Par. 3. Section 29.147-8, as amended by Treasury Decision 5687 [26 CFR 29.147-8], is further amended by striking out "February 15" in the first paragraph, and inserting in lieu thereof "February 28".

Par. 4. Section 29.148-1 (a), as amended by Treasury Decision 5687 [26 CFR 29.148-1 (a)], is further amended as follows:

(A) By revising the first sentence thereof to read as follows:

Except as provided in paragraph (b) of this section, every domestic corporation or foreign corporation engaged in business within the United States or having an office or place of business or a fiscal or paying agent in the United States, making payments of dividends and distributions (other than distributions in liquidation) to any shareholder who is an individual (citizen or resident of the United States), a resident fiduciary, or a resident partnership any member of which is a citizen or resident, shall render an information return on Forms 1096 and 1099, except that for calendar years preceding 1951, such return shall be rendered only in the case of payments amounting to \$100 or more during each calendar year.

(B) By striking out "February 15" in the last sentence of the first paragraph, and inserting in lieu thereof "February 28".

Par. 4a. Section 29.148-1 (b), as amended by Treasury Decision 5687 [26 CFR 29.148-1 (b)], is further amended by adding at the end thereof the following:

In the case of a building and loan association, a cooperative bank, a homestead association, a credit union, a savings and loan association, or a corporation described in section 101 (10), (11), (12), or (13), making a payment of a dividend or a distribution to any shareholder, the information return on Forms 1096 and 1099 shall be rendered only in the case of payments amounting to \$100 or more during the calendar year.

Par. 5. Section 29.148-3, as amended by Treasury Decision 5687 [26 CFR 29.148-3], is further amended as follows:

(A) By striking from the first sentence of the first paragraph "\$500", and inserting in lieu thereof "\$600"; and

(B) By striking out "February 15" in the first sentence of the second paragraph, and inserting in lieu thereof "February 28".

(This Treasury decision is issued under the authority contained in sections 62, 148, and 3791 of the Internal Revenue Code (53 Stat. 32, 65, 467; 26 U.S.C. 62, 148, 3791).)

JOHN B. DUNLAP,

Commissioner of Internal Revenue

APPROVED: September 20, 1951.

THOMAS J. LYNCH

Acting Secretary of the Treasury.

(Filed with the Division of the Federal Register September 25, 1951, 8:48 a.m.)

Treasury - Internal Revenue, Washington, D. C.

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM CREDIT ADMINISTRATION
WASHINGTON 25, D. C.

Official Business

FORM P-188-11/51-13,200
PERMIT NO. 1001

PENALTY FOR PRIVATE USE
TO AVOID PAYMENT OF
POSTAGE, \$300